

**APPLICATION FOR PERMISSION TO CHANGE POINT OF  
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE  
PUBLIC WATERS OF THE STATE OF NEVADA  
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office JUN 10 1998  
 Returned to applicant for correction JUL 21 1998  
 Corrected application filed \_\_\_\_\_  
 Map filed SEP 03 1998

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The applicant Continental Ranches of Hazen, a Nevada General Partnership, hereby makes application for permission to change the manner and place of use of a portion of water heretofore appropriated under Permit 50444

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1. The source of water is Underground
2. The amount of water to be changed 0.7 CFS, not to exceed 140 ac. ft. ann.
2. The water to be used for Quasi-municipal & domestic
4. The water heretofore permitted for Irrigation & domestic
5. The water is to be diverted at the following point SE $\frac{1}{4}$  SW $\frac{1}{4}$  section 1, T.19N., R.26E., M.D.B.&M. or at a point from which the SW corner of said section 1 bears S. 58° 58' 40" W., a distance of 1,942.5 feet
6. The existing permitted point of diversion is located within unchanged
7. Proposed place of use NW $\frac{1}{4}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$  NW $\frac{1}{4}$ , portion of SE $\frac{1}{4}$  NW $\frac{1}{4}$ , portion of SW $\frac{1}{4}$  NE $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$ , portion of NE $\frac{1}{4}$  SE $\frac{1}{4}$ , SW $\frac{1}{4}$  SE $\frac{1}{4}$ , SE $\frac{1}{4}$  SE $\frac{1}{4}$ , SW $\frac{1}{4}$ , section 35, T.20N., R.26E., M.D.B.&M.; sections 1, 2, 3, & 11, T.19N., R.26E., M.D.B.&M.
8. Existing place of use 370 acres in section 1, T.19N., R.26E., M.D.B.&M. 167.5 acres remaining in the place of use being removed from irrigation
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works A drilled and cased well equipped with a motor, pump, distribution system, and 1.3 million gallon storage tank.
12. Estimated cost of works \$2,100,000.00
13. Estimated time required to construct works five years
14. Estimated time required to complete the application of water to beneficial use ten years
15. Remarks: Please refer to Exhibit "A"

By Gregory M. Bilyeu - Agent  
 s/Gregory M. Bilyeu  
 P. O. box 70458  
 Reno, NV 89570

Computed my/cms dl/bk

Protested \_\_\_\_\_

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APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 50444 is issued subject to the terms and conditions imposed in said Permit 50444 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Any well drilled under this permit shall be drilled in what has been described in the United States Geological Survey Water Supply Paper 2263 as the intermediate alluvial aquifer. In no instance shall the seal on this well be less than 100 feet below ground level.

The total combined duty of water under Permits 59133, 59134, 59136, 59137, 59138, 59140, 59141, 59142, 59143, 64213, 64214 and 64215 shall not exceed 1,620.0 acre-feet annually.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.7 cubic feet per second, **but not to exceed 140.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:

N/A

Proof of completion of work shall be filed before:

N/A

Application of water to beneficial use shall be filed on or before:

May 6, 2001

Proof of the application of water to beneficial use shall be filed on or before:

June 6, 2001

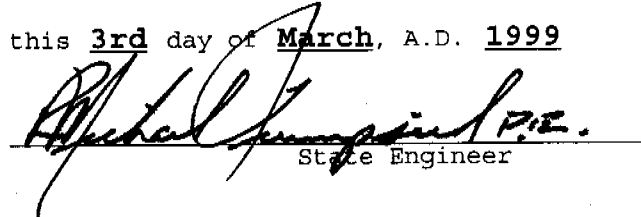
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set  
my hand and the seal of my office,

this 3rd day of March, A.D. 1999

  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_



**EXHIBIT "A"**

This application is being filed in order to provide a source of water for the balance of the Lahontan Valley Business Park located near Hazen, Nevada.

Applications for water to service the initial phase, consisting of approximately 320 acres within Section 35, T.20N., R.26E., M.D.B. & M., were approved in 1996. These new applications will be utilized on the balance of the project, which will encompass all or portions of Sections 1, 2, 3 & 11 in T.19N., R.26E., M.D.B & M.

The Lahontan Valley Business Park is a master planned facility located in Churchill County. This facility has both rail and highway access, making it a unique site to the county. The master plan calls for development of all four sections that comprise the place of use. Zoning and land use changes are being developed for submittal to Churchill County.

A water services trust agreement has been drafted and submitted to Churchill County for their review and approval. This agreement, similar to ones already in place within the county, is designed as a means to construct and operate the water and sewer system for the Business Park. Final approval this agreement is pending.

Currently infrastructure planning and design, including site topo and boundary surveys, are underway. Negotiations with both Sierra Pacific Power Company and Southwest gas to provide power have been underway for the past 7 months. Presently these negotiations are being finalized and the location for a new electrical substation is being identified.

Continental Ranches of Hazen has dedicated over \$500,000.00 for the preliminary engineering on the first phase of this project. The applicant anticipates expenditures in excess of \$5,000,000 for full development and build-out. This figure does not include the cost of tenant improvements (buildings, ramps, rail spurs, etc.) A commercial real estate firm is actively pursuing marketing efforts for this project. Target customers are industrial, processing and manufacturing businesses. The first customer, a mineral processing firm, is close to being finalized.

In addition, the applicant is negotiating with the Bureau of Reclamation for access easements and a wastewater treatment plant site within Section 2. The discharge from the WWTP will be used to enhance wetlands within Bureau-owned properties.

The water rights represented by this these change applications will be beneficially used on the project. For the proposed point of diversion, refer to maps on file under Permits 50442, 50444 & 50445. For the existing place of use being removed from irrigation, refer to the map on file under Permit 63024.

